TABLE OF CONTENTS

	Page
PART 1. THE BUDGET MESSAGE OF THE PRESIDENT	1–1
PART 2. BUDGET TRENDS AND PRIORITIES	2–1
Budget trends in the 1980's	2–2
Major changes in the 1980's	2–3
National defense	2–4
Entitlements and other mandatory programs	2–5
Discretionary programs	2–9
Conclusion	2–14
Priorities in the 1990 Budget	2–15
National defense	2–16
Discretionary programs	2–18
Entitlements and other mandatory programs	2–30
Revenues	2–34
Credit reform initiative	2–38
Privatization initiatives	2–39
Other management initiatives	2–40
Conclusion	2–41
PART 3. THE ECONOMY AND THE BUDGET	3–1
The economy in the 1980's—restoring stability	3–2
Economic developments in 1987–1988 and the outlook for 1989–1994	3–5
Long-run economic assumptions	3–13
The Administration's forecasting record	3–16
Changes in economic assumptions and the Budget	3–20
Sensitivity of the Budget to economic assumptions	3–22
PART 4. FEDERAL RECEIPTS BY SOURCE	4–1
Summary	4–2
Enacted legislation	4–3
Medicare Catastrophic Coverage Act of 1988	4–5
Family Support Act of 1988	4–6
Technical and Miscellaneous Revenue Act of 1988	4–7
Receipts proposals	4–12
Effect of enacted and proposed changes on receipts	4–15
Changes in receipts	4–17
Receipts by source	4–19
PART 5. FEDERAL PROGRAMS BY FUNCTION	5–1
Introduction	5–2
National defense	5–5
International affairs	5–17
General science, space, and technology	5–27
Energy	5–36
Natural resources and environment	5–49
Agriculture	5–61
Commerce and housing credit	5–69

	Page
Transportation	5–82
Community and regional development	5–92
Education, training, employment and social services	5–101
Health	5–115
Medicare	5–122
Income security	5–125
Social security	5–142
Veterans benefits and services	5–144
Administration of justice	5–154
General government	5–160
Central Federal credit activities	5–169
Net interest	5–171
Allowances	5–176
Undistributed offsetting receipts	5–178
PART 6. FEDERAL CREDIT	6–1
Overview	6–2
The Reagan record in credit policy	6–9
Other types of credit activity	6–28
PART 7. PERSPECTIVES ON THE BUDGET	7–1
Relationship of budget authority to outlays	7–2
Limitations on the availability of funds	7–4
Fiscal activities outside the Federal budget	7–7
Budget funds and the Federal debt	7–19
Comparison of actual and estimated Federal Government totals for 1988	7–23
Comparison of the actual and estimated relatively uncontrollable outlays for 1988	7–30
PART 8. THE BUDGET SYSTEM AND CONCEPTS	8–1
The budget process	8–2
Coverage of the budget totals	8–8
Budgetary resources and related transactions	8–10
Federal credit	8–15
Collections	8–15
Other transactions	8–17
Basis for budget figures	8–18
PART 9. THE FEDERAL PROGRAM BY AGENCY AND ACCOUNT	9–1
Explanatory note	9–2
Legislative branch	9–3
The Judiciary	9–12
Executive Office of the President	9–15
Funds appropriated to the President	9–19
Department of Agriculture	9–29
Department of Commerce	9–44
Department of Defense—Military	9–49
Department of Defense—Civil	9–61
Department of Education	9–66
Department of Energy	9–71
Department of Health and Human Services, except social security	9–75
Department of Health and Human Services, social security	9–90
Department of Housing and Urban Development	9–91
Department of Interior	9–96
Department of Justice	9–109
Department of Labor	9–115
Department of State	9–119
Department of Transportation	9–125
Department of the Treasury	9–136

Page
Department of Veterans Affairs 9–143
Environmental Protection Agency 9–148
General Services Administration 9–150
National Aeronautics and Space Administration 9–152
Office of Personnel Management 9–155
Small Business Administration 9–157
Other independent agencies 9–158
Allowances 9–189
Budget totals 9–190
Off-budget totals 9–191
Federal Government totals 9–192
PART 10. SUMMARY TABLES 10–1
Explanation of the summary tables 10–3
Table 1. Summary 10–8
Table 2. Receipts by source and outlays by agency, 1988–94 10–9
Table 3. Outlays by function, 1988–94 10–10
Table 4. Federal Government financing and debt 10–11
Table 5. Full-time equivalent of Federal civilian employment 10–13
Table 6. Budget authority by function, 1988–94 10–14
Table 7. Budget authority by agency, 1988–94 10–15
Table 8. Budget authority and outlays available through and without current action by Congress 10–16
Table 9. Relation of budget authority to outlays 10–17
Table 10. Balances of budget authority 10–18
Table 11. Receipts by source 10–19
Table 12. Offsetting receipts by type 10–22
Table 13. Legislative proposals for major new and expanded programs in the 1990 budget, projection of costs 10–25
Table 14. Controllability of outlays, 1988–90 10–26
Table 15. Receipts by source, 1980–90 10–28
Table 16. Outlays by function and subfunction, 1980–90 10–30
Table 17. Federal finances and the gross national product, 1973–94 10–38
Table 18. Composition of receipts and outlays in current dollars: 1975–94 10–39
Table 19. Composition of receipts and outlays in constant (fiscal year 1982) dollars: 1975–94 10–40
Table 20. Credit budget: new direct loan obligations, guaranteed loan commitments and subsidies by agency 10–41
Table 21. Credit budget: new direct loan obligations, guaranteed loan commitments and subsidies by function 10–42
Table 22. Direct loan obligations, guaranteed loan commitments, and Government-sponsored enterprise obligations by sector, 1980–94 10–43
Table 23. Direct loan obligations, guaranteed loan commitments, and Government-sponsored enterprise obligations, 1951–94 10–44
Table 24. Total receipts and outlays, 1789–1994 10–45
Table 25. On-budget and off-budget receipts and outlays, 1937–94 10–46
PART 11. GLOSSARY OF ACRONYMS 11–1
INDEX Ind–1